

MANAGEMENT MEMO

NUMBER:

MM 08-05

SUBJECT:

**INCREASES TO THE DOLLAR THRESHOLD LEVELS FOR
CONDUCTING INFORMAL SOLICITATIONS AND FOR USING
SPECIFIC LEVERAGED PROCUREMENT AGREEMENTS**

DATE ISSUED:

APRIL 22, 2008

EXPIRES:

UNTIL RESCINDED

REFERENCES:

Public Contract Code 10301, 12102, 10290.1, 12101.5 and
Government Code 14600
SUPERSEDES MM 07-10

ISSUING AGENCY:

**DEPARTMENT OF
GENERAL SERVICES**

PURPOSE

The purpose of this Management Memo is to notify State departments that, in accordance with the Public Contract Code (PCC), the Director of the Department of General Services (DGS) has increased the dollar threshold levels at which departments may:

- Use the informal solicitation to purchase non-information technology (non-IT) goods and information technology (IT) goods and services.
- Purchase goods and services from specific Leveraged Procurement Agreement (LPA) sub-categories contained in this memo.

INFORMAL SOLICITATIONS AND APPROVAL REQUIRED FOR PURCHASING AUTHORITY

The new dollar threshold levels available to departments for conducting informal solicitations have been increased as follows:

Type	Prior Threshold	New Threshold
Non-IT Goods	\$50,000	\$100,000
IT Goods and Services	\$500,000	\$1,000,000

This increase is not automatic and departments must apply for DGS approval to obtain the competitive purchasing authority to conduct informal solicitations up to the new dollar threshold levels listed above.

STATE ADMINISTRATIVE MANUAL

LEVERAGED PROCUREMENT AGREEMENTS AND APPROVAL REQUIRED FOR PURCHASING AUTHORITY

The new LPA sub-category dollar threshold levels available to departments have been increased as follows:

Sub-Categories	Types	Prior	New
Software License Program (SLP)	IT Goods and Services	\$500,000	\$2,000,000
State Price Schedule (SPS)	Non-IT Goods	\$25,000	\$100,000
	IT Goods and Services	\$25,000	\$100,000
Master Agreements			
Cooperative Agreements (WSCA, NASPO, etc.)	IT Goods and Services	\$500,000	Unlimited
Master Service Agreements (MSA)	Non-IT Services	\$250,000	\$500,000
	IT Goods and Services	\$500,000	\$1,500,000

This increase is automatic for those departments with current approved LPA purchasing authority.

This increase is not automatic for departments without current approved LPA purchasing authority. These departments must apply for DGS approval to obtain the LPA purchasing authority to conduct purchases at the new dollar threshold levels listed above.

QUESTIONS

For questions regarding purchasing authority and dollar threshold information discussed in this management memo, please contact the DGS/PD's Purchasing Authority Management Section at: pams@dgs.ca.gov.

For policy questions regarding issues discussed in this management memo, please contact the DGS/PD's Policies and Procedures Office at: ppo@dgs.ca.gov.

For additional information about informal solicitations and delegated purchasing authority, see the State Contracting Manual (SCM), Volume 2 and Volume 3 at <http://www.pd.dgs.ca.gov/polproc/default.htm>.

SIGNATURE

Original signed by Will Bush, Director

Will Bush, Director
Department of General Services